Online Appendix

Online Appendix: Not For Publication

Table A1: **List of banks with assets larger than $10B.**
This table shows the list of banks above $10B in assets, which are the banks included in our study. The highlighted list of banks form the sample of 35 banks that have undergone stress tests at least once during our period of study, 2011-2016. The banks with an asterisk (*) are those that are deemed Globally Systematically Important Banks (or G-SIBs) by the Financial Stability Board (FSB) and the Basel Committee on Banking Supervision (BCBS), as of November 2012. The updated list as of November 2022 also includes State Street Corporation in the list.

No.	Bank RSSD ID	Bank Name	Average Total Assets	2011	2012	2013	2014	2015	2016
1	1039502	JPMorgan Chase & Co.(*)	2235.899	1	1	1	1	1	1
2	1073757	Bank of America Corporation(*)	1995.917	1	1	1	1	1	1
3	1951350	Citigroup Inc.(*)	1700.617	1	1	1	1	1	1
4	1120754	Wells Fargo & Company(*)	1492.364	1	1	1	1	1	1
5	2380443	The Goldman Sachs Group, Inc.(*)	828.8345	1	1	1	1	1	1
6	2162966	Morgan Stanley(*)	737.1973	1	1	1	1	1	1
7	1119794	U.S. Bancorp	359.6389	1	1	1	1	1	1
8	3587146	The Bank of New York Mellon Corporation(*)	335.9847	1	1	1	1	1	1
9	1069778	The PNC Financial Services Group, Inc.	303.9653	1	1	1	1	1	1
10	2277860	Capital One Financial Corporation	280.3632	1	1	1	1	1	1
11	3606542	TD Group US Holdings LLC	277.2464	1	1	1	1	1	1
12	3232316	HSBC North America Holdings Inc.(*)	274.6815	–	–	1	1	1	1
13	1111435	State Street Corporation	223.2003	1	1	1	1	1	1
14	1074156	BB&T Corporation	178.8663	1	1	1	1	1	1
15	1131787	SunTrust Banks, Inc.	171.9856	1	1	1	1	1	1
16	1562859	Ally Financial Inc.	153.652	1	1	1	1	1	1
17	1275216	American Express Company	145.1497	1	1	1	1	1	1
18	1132449	Citizens Financial Group, Inc.	123.8516	–	–	–	1	1	1
19	1070345	Fifth Third Bancorp	121.9861	1	1	1	1	1	1
20	3242838	Regions Financial Corporation	114.2715	1	1	1	1	1	1
21	1245415	BMO Financial Corp.	110.4587	–	–	1	1	1	1
22	1378434	MUFG Amers Holds Corp	103.4482	–	–	–	1	1	1
23	1378434	UnionBanCal Corporation	103.4482	–	–	1	–	–	–
24	1199611	Northern Trust Corporation	100.628	–	–	1	1	1	1
25	3981856	Santander Holdings USA, Inc.	100.5399	–	–	1	1	1	1
26	1068025	KeyCorp	97.25495	1	1	1	1	1	1
27	5005998	BancWest Corporation	93.49782	–	–	–	–	1	1
28	1037003	M&T Bank Corporation	90.84114	–	–	1	1	1	1
29	3846375	Discover Financial Services	74.86415	–	–	1	1	1	1
30	1078529	BBVA Compass Bancshares, Inc.	71.69733	–	–	1	1	1	1
31	1199844	Comerica Incorporated	62.82734	–	–	1	1	1	1
32	1068191	Huntington Bancshares Incorporated	62.75407	–	–	1	1	1	1
33	1032473	Deutsche Bank Trust Corporation	56.40474	–	–	–	1	1	1
34	1027004	Zions Bancorporation	53.30488	–	–	1	1	1	1
35	1036967	CIT Group Inc.	48.75936	–	–	–	–	–	1
36	2132932	New York Community Bancorp, Inc.	43.3861	–	–	–	–	–	–
37	3412583	ETrade Financial, Llc	43.08384	–	–	–	–	–	–
38	2367556	Hudson City Bancorp, Inc.	35.95644	–	–	–	–	–	–
39	2307280	Utrecht-America Holdings Llc	35.40258	–	–	–	–	–	–
40	5034792	Mizuho Americas Llc	35.33874	–	–	–	–	–	–
41	2648693	First Niagara Financial Group, Inc.	34.68899	–	–	–	–	–	–
42	1129382	Popular, Inc.	33.60432	–	–	–	–	–	–
43	3650152	People'S United Financial, Inc.	32.96272	–	–	–	–	–	–
44	1031449	SVB Financial Group	30.44553	–	–	–	–	–	–
45	3843075	John Deere Capital Corporation	29.39223	–	–	–	–	–	–
46	1883693	BOK Financial Corporation	26.94704	–	–	–	–	–	–
47	1027518	City National Corporation	26.84708	–	–	–	–	–	–
48	1078846	Synovus Financial Corp.	25.68361	–	–	–	–	–	–
49	2734233	East West Bancorp, Inc.	25.46716	–	–	–	–	–	–
50	1075612	First Citizens Bancshares, Inc.	24.34857	–	–	–	–	–	–
51	1102367	Cullen/Frost Bankers, Inc.	23.94891	–	–	–	–	–	–
52	1094640	First Horizon Corporation	23.89493	–	–	–	–	–	–
53	1199563	Associated Banc-Corp	23.68002	–	–	–	–	–	–
54	3815157	Raymond James Financial, Inc.	23.38153	–	–	–	–	–	–
55	3242735	Scottrade Financial Services, Inc.	22.4375	–	–	–	–	–	–
56	3923614	IMB Holdco Llc	22.15264	–	–	–	–	–	–
57	1049341	Commerce Bancshares, Inc.	21.6697	–	–	–	–	–	–
58	3838857	TIAA Fsb Holdings, Inc.	20.59316	–	–	–	–	–	–
59	1145476	Webster Financial Corporation	20.54402	–	–	–	–	–	–
60	2938451	Barclays Delaware Holdings Llc	19.796	–	–	–	–	–	–
61	1086533	Hancock Whitney Corporation	19.45992	–	–	–	–	–	–
62	1070804	Firstmerit Corporation	19.30651	–	–	–	–	–	–
63	2260406	Wintrust Financial Corporation	18.53274	–	–	–	–	–	–
64	2389941	TCF Financial Corporation	18.13331	–	–	–	–	–	–
65	4028712	Bankunited, Inc.	18.07038	–	–	–	–	–	–
66	1048773	Valley National Bancorp	16.92	–	–	–	–	–	–
67	1109599	Prosperity Bancshares, Inc.	16.78058	–	–	–	–	–	–
68	1117156	Susquehanna Bancshares, Inc.	16.43993	–	–	–	–	–	–
69	2747644	Umpqua Holdings Corporation	16.2796	–	–	–	–	–	–
70	1117129	Fulton Financial Corporation	16.01837	–	–	–	–	–	–
71	1020902	First National Of Nebraska, Inc.	15.88802	–	–	–	–	–	–
72	1049828	Umb Financial Corporation	15.84237	–	–	–	–	–	–
73	2477754	Investors Bancorp, Inc.	15.6817	–	–	–	–	–	–
74	2291914	Iberiabank Corporation	14.66606	–	–	–	–	–	–
75	1839319	Privatebancorp, Inc.	14.42141	–	–	–	–	–	–
76	2504128	Astoria Financial Corporation	14.31546	–	–	–	–	–	–
77	3005332	F.N.B. Corporation	13.99455	–	–	–	–	–	–
78	1025309	Bank Of Hawaii Corporation	13.70453	–	–	–	–	–	–
79	1246216	Franklin Resources, Inc.	13.64005	–	–	–	–	–	–
80	1095674	Arvest Bank Group, Inc.	13.50769	–	–	–	–	–	–
81	2706735	Texas Capital Bancshares, Inc.	13.3603	–	–	–	–	–	–
82	3065617	Washington Federal, Inc.	13.17813	–	–	–	–	–	–
83	1060627	Firstbank Holding Company	13.12563	–	–	–	–	–	–
84	1097614	Bancorpsouth, Inc.	12.57404	–	–	–	–	–	–
85	1090987	MB Financial, Inc.	12.0913	–	–	–	–	–	–
86	2744894	First Bancorp	11.78563	–	–	–	–	–	–
87	2875332	Pacwest Bancorp	11.78287	–	–	–	–	–	–
88	3852022	Flagstar Bancorp, Inc.	11.26261	–	–	–	–	–	–
89	3828036	Third Federal Savings And Loan Association Of Cleveland, Mhc	11.13278	–	–	–	–	–	–
90	1104231	International Bancshares Corporation	11.06122	–	–	–	–	–	–
91	1843080	Cathay General Bancorp	11.0598	–	–	–	–	–	–
92	1079562	Trustmark Corporation	10.75062	–	–	–	–	–	–
93	3842957	Hawaiian Electric Industries, Inc.	10.29654	–	–	–	–	–	–
94	3446412	Apple Financial Holdings, Inc.	10.2497	–	–	–	–	–	–
95	1098303	Old National Bancorp	10.21315	–	–	–	–	–	–
96	2349815	Western Alliance Bancorporation	10.12557	–	–	–	–	–	–
97	1076217	United Bankshares, Inc.	10.02116	–	–	–	–	–	–
			No. of Stress-test banks	19	19	30	32	33	34

Table A2: **Summary statistics: 2000-2016.**

This table reports summary statistics for publicly traded bank holding companies over the period 2000 to 2016 for effective tax rate measures in *Panel A*, for bank characteristics in *Panel B*, and the uncertainty and political risk sentiment measures in *Panel C*. Regulatory Uncertainty, Regulatory Uncertainty sentiment, and the tax-related Regulatory Uncertainty, which are proxies for the standardized firm-level political risk, political risk sentiment, and the political tax risk, are obtained from the dataset provided by Hassan et al. (2019). Portfolio Uncertainty is constructed using the standardized measure of the uncertainty sentiment related to the portfolio risk culture driver, obtained from Owusu and Gupta (2023); it captures the uncertainty as it pertains to the characteristics of the banks' balance sheet. The sample is restricted to banks that have at least $10B in assets, the Federal Reserve cutoff for community banks. Balance sheet data comes from FR Y-9C reports. Dollar amounts are in 2010 thousands of dollars, and equity price data/forecasts come from CSPS and I/B/E/S databases. Banks are stress-tested if they have at least $100B in assets in years 2011 and 2012, and if they have at least $50B in assets in the following years.

	All Banks			Stress Tested			Non-Stress Tested		
Variable	N	Mean	Std. Dev.	N	Mean	Std. Dev.	N	Mean	Std. Dev.
Panel A: Tax Avoidance Measures									
Cash ETR	691	0.2543	0.3025	260	0.2396	0.3112	431	0.2632	0.2972
GAAP ETR	691	0.2476	0.2979	260	0.2351	0.3082	431	0.2552	0.2917
3-year Cash ETR	691	0.2359	0.3257	260	0.2060	0.3156	431	0.2539	0.3307
3-year GAAP ETR	691	0.2603	0.2780	260	0.2417	0.2528	431	0.2715	0.2919
Tax Aggressiveness Index	691	-0.0013	0.2582	260	0.0242	0.2346	431	-0.0167	0.2706
3-yr Tax Aggressiveness Index	691	-0.0025	0.2361	260	0.0421	0.2121	431	-0.0295	0.2459
Cash Tax Aggressiveness	691	-0.0032	0.1933	260	0.0151	0.1859	431	-0.0143	0.1970
GAAP Tax Aggressiveness	691	0.0019	0.1366	260	0.0092	0.1425	431	-0.0025	0.1330
3-year Cash Tax Aggressiveness	691	-0.0008	0.1814	260	0.0258	0.1665	431	-0.0169	0.1882
3-year GAAP Tax Aggressiveness	691	-0.0017	0.1453	260	0.0163	0.1214	431	-0.0125	0.1571
Effective Tax Planning Score$_1$	304	0.5069	0.2619	76	0.5231	0.2938	245	0.5019	0.2529
Effective Tax Planning Score$_2$	304	0.5207	0.2586	72	0.5438	0.2938	232	0.5135	0.2514
Post-DFA Intensity in Tax Avoidance	691	0.2171	0.4126	260	0.2385	0.4270	431	0.2042	0.4036
Panel B: Control Variates									
Risk Density	663	0.7114	0.1650	256	0.7145	0.1956	407	0.7094	0.1426
Capital ratio	663	14.7078	5.6178	256	14.1542	2.9030	407	15.0561	6.7714
Tier 1 ratio	663	12.4295	5.8842	256	11.2648	3.1468	407	13.1621	6.9888
Total Equity / Assets	663	0.1100	0.0568	256	0.1031	0.0261	407	0.1144	0.0692
Total Deposits / Assets	663	0.6192	0.2019	256	0.4824	0.2220	407	0.7052	0.1276
Available Loan Loss Reserves / Total Loans	663	0.0149	0.0085	256	0.0165	0.0112	407	0.0139	0.0061
Problem Loans %	663	0.0142	0.0144	256	0.0184	0.0163	407	0.0116	0.0123
Loans / Assets	663	0.5160	0.1915	256	0.4276	0.2193	407	0.5716	0.1469
CRE Loans / Assets	663	0.1786	0.1350	256	0.0885	0.0855	407	0.2352	0.1296
RRE Loans / Assets	663	0.1542	0.0991	256	0.1385	0.1034	407	0.1641	0.0950
Consolidated Agricultural loans / Assets	663	0.0022	0.0051	256	0.0014	0.0023	407	0.0026	0.0062
C&I Loans / Assets	663	0.1304	0.0817	256	0.1197	0.0906	407	0.1370	0.0748
Consumer Loans / Assets	663	0.0727	0.1100	256	0.1138	0.1521	407	0.0469	0.0587
Consolidated Loans to foreign governments / Total Loans	663	0.0002	0.0005	256	0.0003	0.0007	407	0	0.0003
Off Balance Sheet Assets / Assets	663	0.1588	0.1637	256	0.2666	0.1995	407	0.0910	0.0822
Loans HFS / Assets	663	0.0116	0.0258	256	0.0163	0.0288	407	0.0086	0.0233
AFS Securities / Assets	663	0.1559	0.1014	256	0.1201	0.0812	407	0.1783	0.1064
HTM Securities / Assets	663	0.0309	0.0655	256	0.0102	0.0193	407	0.0439	0.0795
Cash & Deposits Due / Assets	663	0.0454	0.0394	256	0.0536	0.0445	407	0.0402	0.0349
Federal Funds / Assets	663	0.0160	0.0458	256	0.0323	0.0692	407	0.0057	0.0116
Other Assets / Assets	663	0.0630	0.0479	256	0.0707	0.0617	407	0.0581	0.0360
Return on Equity	663	0.2643	0.1345	256	0.2872	0.1400	407	0.2499	0.1291
Return on Assets	663	0.0291	0.0303	256	0.0294	0.0171	407	0.0290	0.0363
Net Interest Margin	663	0.0717	0.0248	256	0.0673	0.0325	407	0.0745	0.0179
Net Non-Interest Margin	663	-0.0203	0.0476	256	-0.0117	0.0275	407	-0.0258	0.0560
Net income	663	4.8e+06	1.1e+07	256	1.2e+07	1.5e+07	407	5.5e+05	6.2e+05
Net Charge-Offs	579	-0.0032	0.0040	190	-0.0041	0.0045	389	-0.0028	0.0036
Dividend Payout Ratio	663	0.5058	2.5948	256	0.6871	4.1496	407	0.3918	0.3599
Panel C:									
Regulatory Uncertainty	580	-0.0355	0.7408	155	-0.0013	0.6456	425	-0.0480	0.7730
Regulatory Uncertainty Sentiment	580	0.0440	0.9455	155	-0.1493	0.8879	425	0.1146	0.9569
Tax-Related Regulatory Uncertainty	580	-0.0443	0.5885	155	-0.0822	0.3312	425	-0.0304	0.6576
Portfolio Uncertainty	580	-0.2520	0.6918	155	-0.2966	0.8120	425	-0.2357	0.6427

Table A3: **List of banks that failed the stress tests.**

This table shows the list of stress test banks above $50B in assets, which have failed to comply with the requirements of the CCAR stress tests during our period of study, 2011-2016. 'Y' indicates a yes for the banks that failed the stress test for a particular year. The banks with an asterisk (*) are those that are deemed Globally Systematically Important Banks (or G-SIBs) by the Financial Stability Board (FSB) and the Basel Committee on Banking Supervision (BCBS), as of June 2023.

No.	Bank RSSD ID	Bank Name	Average Total Assets	2011	2012	2013	2014	2015	2016
1	1951350	Citigroup Inc.(*)	1700.617		Y		Y		
2	3232316	HSBC North America Holdings Inc.(*)	274.6815				Y		
3	1074156	BB&T Corporation	178.8663			Y			
4	1131787	SunTrust Banks, Inc.	171.9856		Y				
5	1562859	Ally Financial Inc.	153.652		Y	Y			
6	1132449	Citizens Financial Group, Inc.	123.8516				Y		
7	3981856	Santander Holdings USA, Inc.	100.5399					Y	Y
8	1032473	Deutsche Bank Trust Corporation	56.40474					Y	Y
9	1027004	Zions Bancorporation	53.30488				Y		

Table A4: **The effect of stress tests on bank tax planning – rectangular RD.** This table reports the regression discontinuity coefficients for the tax planning variables of interest. *StressTest* is a dummy variable equal to one for stress-test banks, and 0 for non-stress-test banks. The table reports the results for the annual and the 3-year Cash Effective Tax Rate (ETR), GAAP Effective Tax Rate, and the Tax Aggressiveness Index. A negative Cash and GAAP ETR indicates an increase in tax avoidance. Control variables include the first 12 bank characteristics shown in Table 2. All regressions include bank and year fixed effects. Standard errors are clustered at the bank level and are reported in parentheses while observation counts are reported in brackets. ***, **, and * indicate significance at the 1%, 5%, and 10% levels, respectively.

	(1) Cash ETR	(2) GAAP ETR	(3) 3-yr Cash ETR	(4) 3-yr GAAP ETR	(5) T.A.I.	(6) 3-yr T.A.I.
StressTest=1 × lnAssetsNorm	-0.064***	-0.018	-0.062***	-0.052**	0.047***	0.070***
	(0.012)	(0.014)	(0.016)	(0.026)	(0.016)	(0.020)
lnAssetsNorm	0.024***	0.021***	0.034***	0.024***	-0.012	-0.018**
	(0.006)	(0.007)	(0.007)	(0.009)	(0.008)	(0.008)
StressTest=1	0.009	0.020	-0.039	-0.031	-0.078*	-0.039
	(0.027)	(0.031)	(0.040)	(0.041)	(0.040)	(0.044)
Return on Assets	-0.187	0.079	-0.689	-2.491***	0.039	1.009**
	(0.317)	(0.471)	(0.429)	(0.612)	(0.393)	(0.436)
Total Equity/Assets	0.291	0.590**	0.652*	0.984***	-0.553**	-0.837***
	(0.242)	(0.256)	(0.333)	(0.300)	(0.256)	(0.276)
Total Deposits/Assets	0.016	0.046	0.121	0.048	-0.023	-0.034
	(0.075)	(0.085)	(0.095)	(0.118)	(0.089)	(0.097)
Cost-Income Ratio	-0.251***	-0.347***	-0.237***	-0.617***	0.369***	0.436***
	(0.056)	(0.078)	(0.081)	(0.135)	(0.085)	(0.083)
Available Loan Loss Reserves/Loans	-3.859***	-6.332***	-4.497***	-5.779***	6.330***	4.917***
	(1.110)	(1.229)	(1.630)	(1.385)	(1.258)	(1.390)
Problem Loans/Loans	1.452	0.638	1.063	-0.038	-1.405	-0.711
	(1.169)	(0.406)	(1.103)	(0.407)	(0.882)	(0.964)
CRE Loans/Loans	0.149*	0.254***	0.087	-0.021	-0.362***	-0.235*
	(0.079)	(0.081)	(0.095)	(0.088)	(0.122)	(0.122)
RRE Loans/Loans	0.095	0.254***	-0.015	0.028	-0.274**	-0.168
	(0.081)	(0.085)	(0.102)	(0.088)	(0.115)	(0.116)
Agricultural Loans/Loans	-0.000	0.527**	-0.015	0.216	0.092	0.228
	(0.215)	(0.249)	(0.307)	(0.271)	(0.307)	(0.335)
C&I Loans/Loans	0.151	0.245**	0.096	0.045	-0.369**	-0.249*
	(0.101)	(0.115)	(0.121)	(0.096)	(0.150)	(0.146)
Consumer Loans/Loans	0.126	0.269***	0.138	0.162*	-0.297**	-0.239*
	(0.089)	(0.094)	(0.107)	(0.098)	(0.133)	(0.137)
Foreign Gov't Loans/Loans	8.038*	3.676	5.684	5.056	-10.050**	-7.908*
	(4.252)	(6.247)	(4.784)	(5.687)	(4.576)	(4.648)
Observations	1758	1777	1758	1777	1758	1758
Adjusted R^2	0.085	0.102	0.044	0.110	0.144	0.101

Table A5: **McCrary(2008) test around the policy threshold for 2011-2016.**
The McCrary discontinuity coefficients are shown for each of the corresponding bandwidths together with the standard errors, t-statistics, and the optimal bin size as in McCrary (2008). The McCrary test estimates the density of the running variable separately on both sides of the policy cutoff and tests for a discontinuity at the cutoff. It first partitions the assignment variable into bins and calculates frequencies (number of observations) in each bin. It then treats those frequency counts as a dependent variable in a local linear regression with a triangular kernel and an optimal bin size as in McCrary (2008).* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

	±10%	±25%
Discontinuity	0.648	0.708
Standard errors	0.705	0.499
t-stat	0.918	1.417
Bin size	0.076	0.076
N	47	173

Table A6: **Balanced covariates tests for control variables.**
This table shows the regression discontinuity coefficients for the balanced covariates tests. The table reports both the local linear and quadratic regression discontinuity coefficients first by using the mean square error (MSE) optimal bandwidth measure. The table reports the results of the balanced covariate test for each control variable used in our analysis testing for discontinuity. Panel A shows bank-level characteristics: Net Income/Assets, Equity/Assets, Deposits/Assets, Cost/Income, Loan Loss Reserves/Loans, and Problem Loans/Loans. Panel B shows bank lending characteristics: Commercial Real Estate (CRE) Loans/Loans, Residential Real Estate Loans/Loans, Agricultural Loans/Loans, Commercial and Industrial (C&I) Loans/Loans, Consumer Loans/Loans, and Foreign Government Loans/Loans. Regressions are triangular kernel weighted and are restricted to having at least 50 observations within the selected optimal bandwidth. No controls are included in the regression discontinuity. All regressions include bank and year fixed effects. Standard errors are clustered at the bank level and are reported in parentheses while observation counts are reported in brackets. ***, **, and * indicate significance at the 1%, 5%, and 10% levels, respectively.

Variable	Linear MSE Optimal	Quadratic MSE Optimal
Panel A: Bank-Level Characteristics		
Net Income/Assets	0.007*	0.010
	(0.004)	(0.006)
	[215]	[204]
Equity/Assets	0.003	0.000
	(0.003)	(0.004)
	[112]	[206]
Deposits/Assets	0.006	0.003
	(0.017)	(0.023)
	[228]	[215]
Costs/Income	-0.027	-0.028
	(0.019)	(0.024)
	[218]	[245]
Loan Loss Reserves/Loans	-0.000	0.002
	(0.002)	(0.003)
	[105]	[137]
Problem Loans/Loans	-0.001	-0.001
	(0.002)	(0.003)
	[79]	[116]
Panel B: Bank Lending Characteristics		
CRE Loans/Loans	-0.002	-0.007
	(0.014)	(0.018)
	[175]	[237]
RRE Loans/Loans	0.023	0.023
	(0.016)	(0.020)
	[137]	[238]
Agricultural Loans/Loans	0.000	-0.000
	(0.000)	(0.000)
	[126]	[148]
C&I Loans/Loans	-0.004	-0.009
	(0.014)	(0.017)
	[144]	[231]
Consumer Loans/Loans	-0.020	-0.010
	(0.016)	(0.020)
	[301]	[204]
Foreign Gov't Loans/Loans	-0.000***	-0.000
	(0.000)	(0.000)
	[53]	[108]
Controls	N	N
Fixed-Effects	Y	Y

Table A7: **Baseline results – covariates sensitivity tests.**
This table reports the regression discontinuity coefficients for the covariates sensitivity test. The table shows the Localized Effects for both the local linear and quadratic regression discontinuity coefficients using the MSE optimal bandwidth measure. The table reports the covariates sensitivity employing partial controls and full controls for the tax avoidance measure (Cash ETR) in Panel A and the Tax Aggressiveness Index (composite measure by equally weighting the cash tax aggressiveness and the GAAP Tax aggressiveness) in Panel B. Regressions are triangular kernel weighted and are restricted to having at least 50 observations within the selected optimal bandwidth. Control variables include partial bank characteristics in the first two columns, as shown in Table 2. All regressions include bank and year fixed effects. Standard errors are clustered at the bank level and are reported in parentheses while observation counts are reported in brackets. ***, **, and * indicate significance at the 1%, 5%, and 10% levels, respectively.

	Partial Controls		Full Controls	
Variable	Linear	Quadratic	Linear	Quadratic
Panel A: Tax Avoidance				
Cash ETR	-0.474***	-0.664**	-0.395***	-1.238***
	(0.075)	(0.311)	(0.057)	(0.156)
	[76]	[56]	[76]	[76]
Panel B: Tax Aggressiveness				
Tax Aggressiveness Index	0.152	0.219	0.127*	0.277
	(0.104)	(0.180)	(0.069)	(0.288)
	[76]	[97]	[76]	[52]
Controls	Y	Y	Y	Y
Fixed-Effects	Y	Y	Y	Y